

NSL Initial Application

Received: 07/31/19

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

| | | | |
|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: 07/31/19 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL1921731031 |
|---------------------------|----------------------|------------------|-------------------------------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Devon Energy Production, L.P. **OGRID Number:** 6137
Well Name: Papas Fritas 27-22 Fed Com #713H **API:** Pending
Pool: Purple Sage; Wolfcamp **Pool Code:** 98220

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

| FOR OCD ONLY | |
|--------------------------|------------------------------|
| <input type="checkbox"/> | Notice Complete |
| <input type="checkbox"/> | Application Content Complete |

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kaitlyn A. Luck

Print or Type Name

Signature

07/31/19
Date

505-954-7286
Phone Number

kaluck@hollandhart.com
e-mail Address

July 31, 2019

VIA ONLINE FILING

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Devon Energy Production, LP, for administrative approval of an unorthodox well location for its Papas Fritas 27-22 Fed Com 713H Well in the E/2 of Sections 22 and 27, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Sandoval:

Devon Energy Production, LP (“Devon”) (OGRID No. 6137) seeks administrative approval of an unorthodox well location for its **Papas Fritas 27-22 Fed Com 713H Well** (API No. 30-025-pending) to be completed within the Purple Sage Wolfcamp Pool (98220) underlying the E/2 of Sections 22 and 27, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. This well will be drilled from a surface location 150 feet from the south line and 792 feet from the east line (Unit P) of Section 27 to a bottom hole location 20 feet from the north line and 990 feet from the east line (Unit A) of Section 22. The upper most perforation will be located 100 feet from the south line and 990 feet from the east line (Unit P) of Section 27 and the lower most perforation will be 100 feet from the north line and 990 feet from the east line (Unit A) of Section 22.

Pursuant to Division Order R-14262, this acreage is governed by the Special Rules for the Purple Sage-Wolfcamp Gas Pool which provide for wells in the Wolfcamp formation in Eddy County to be located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for the **Papas Fritas 27-22 Fed Com 713H Well** will be unorthodox because it is closer than 330 feet to the northern and southern boundaries of the project area. Approval of the unorthodox completed interval will allow Devon to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Papas Fritas 27-22 Fed Com 713H Well** encroaches on the drilling and spacing units to the north and south.

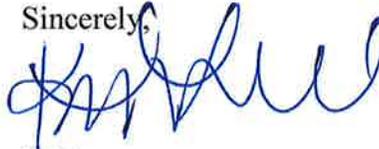
Exhibit B is a land plat for Sections 15, 22, 27, and 34 that shows the proposed **Papas Fritas 27-22 Fed Com 713H Well** in relation to the adjoining spacing units to the north and south in Sections 15 and 34.

Exhibit C is a list of the parties affected by the encroachment to the north and south. Ownership is diverse between the subject spacing unit and the tracts to the north and south. The affected parties in the spacing units in all of Section 15 and the E/2 of Section 34, include the Bureau of Land Management and the New Mexico State Land Office. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives the application.

Exhibit D is a statement from a Devon's petroleum engineer confirming that Devon's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck
**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**



Kaitlyn A. Luck
Associate
Phone (505) 954-7286
KALuck@hollandhart.com

July 31, 2019

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Devon Energy Production, LP, for administrative approval of an unorthodox well location for its Papas Fritas 27-22 Fed Com 713H Well in the E/2 of Sections 22 and 27, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Verl Brown
Devon Energy
(405) 228-8804
Verl.Brown@dvn.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck".

Kaitlyn A. Luck
**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

13351052_v1



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011

Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|--------------------------------|--|---------------------------------------------------------------------|--|------------------------|-----------------------------------------------|
| ¹ API Number | | ² Pool Code | | ³ Pool Name | |
| ⁴ Property Code | | ⁵ Property Name | | | ⁶ Well Number |
| | | PAPAS FRITAS 27-22 FED COM | | | 713H |
| ⁷ OGRID No. 6137 | | ⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | | | ⁹ Elevation 3068.6 ¹ |

¹⁰Surface Location

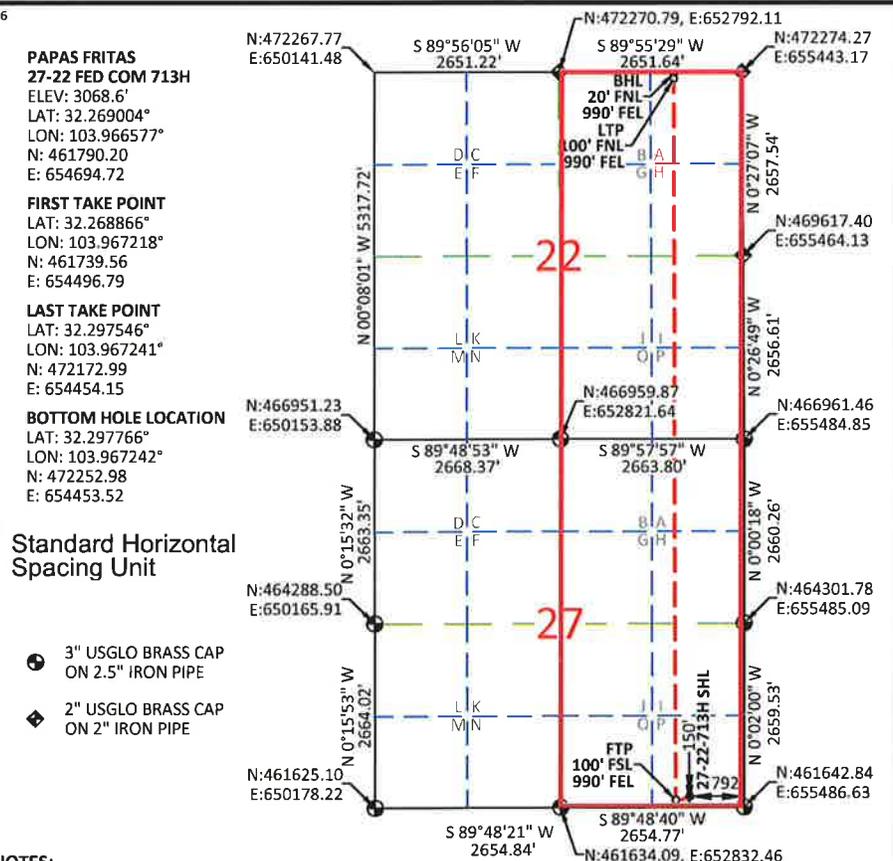
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 27 | 23-S | 29-E | | 150 | SOUTH | 792 | EAST | EDDY |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 22 | 23-S | 29-E | | 20 | NORTH | 990 | EAST | EDDY |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 640 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



NOTES:

- BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 456034.443, EAST: 653560.641, ELEVATION: 3101.373, DETERMINED BY AN OPUS SOLUTION ON DECEMBER 3RD, 2018.
- DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000220979
- ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEIOD 12B.

¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

03/06/2019
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate No. 23261 Albert Dehoyos
Drawn by: TMW | Checked by: ARD | Date: 04/29/2019

Intent As Drilled

| | | |
|---------------------------------------------------------|----------------------------------------------|---------------------|
| API # | | |
| Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P. | Property Name: PAPAS FRITAS 27-22 FED COM | Well Number 713H |

Kick Off Point (KOP)

| UL | Section | Township | Range | Lot | Feet | From N/S | Feet | From E/W | County |
|----------|---------|----------|-------|-----|-----------|----------|------|----------|--------|
| Latitude | | | | | Longitude | | | NAD | |

First Take Point (FTP)

| UL | Section | Township | Range | Lot | Feet | From N/S | Feet | From E/W | County |
|------------------------|---------|----------|-------|-----|---------------------------|----------|------|-----------|--------|
| P | 27 | 23-S | 29-E | | 100 | SOUTH | 990 | EAST | EDDY |
| Latitude 32.268866° | | | | | Longitude -103.967218° | | | NAD 83 | |

Last Take Point (LTP)

| UL | Section | Township | Range | Lot | Feet | From N/S | Feet | From E/W | County |
|------------------------|---------|----------|-------|-----|---------------------------|----------|------|-----------|--------|
| A | 22 | 23-S | 29-E | | 100 | NORTH | 990 | EAST | EDDY |
| Latitude 32.297546° | | | | | Longitude -103.967241° | | | NAD 83 | |

Is this well the defining well for the Horizontal Spacing Unit? N

Is this well an infill well? Y

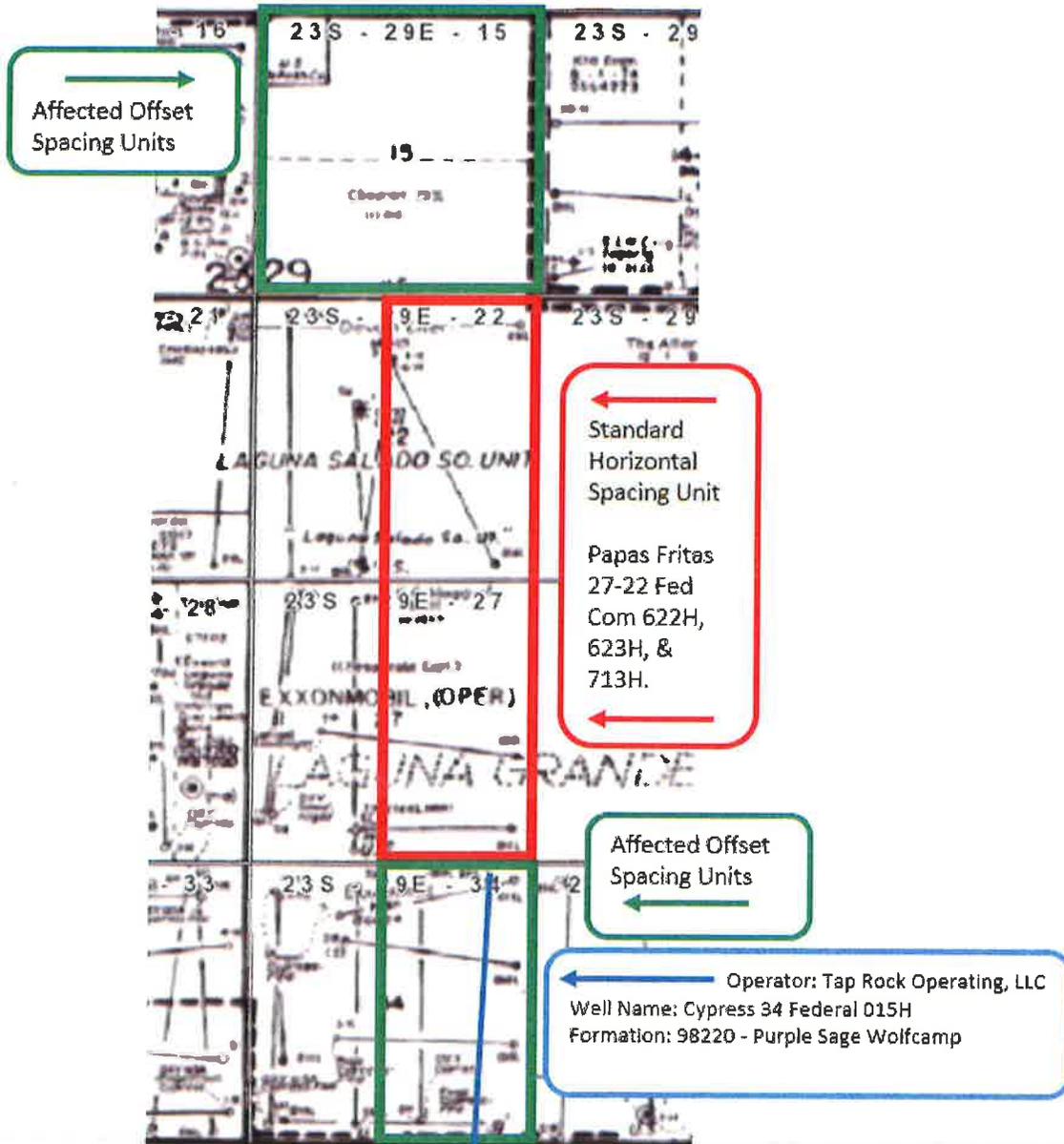
If infill is yes provide API if available, Operator name and well number for Defining well for Horizontal Spacing Unit.

| | | |
|---------------------------------------------------------|----------------------------------------------|---------------------|
| API # | | |
| Operator Name: Devon Energy Production Company, L.P. | Property Name: Papás Fritas 27-22 FED COM | Well Number 622H |

KZ 06/29/2018

Devon Energy Production Company, L.P.

Unorthodox Location Notice Plat





Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Application Non-Standard Location - Address List
Devon Energy Production Company, L.P.
Papas Fritas 27-22 Fed Com 622H
Papas Fritas 27-22 Fed Com 623H
Papas Fritas 27-22 Fed Com 713H

T23S-R29E
Section 15 - Units A, B, C, D, E, F, G, H, I, J,
K, L, M, N, O, & P
Eddy County, NM

Chevron USA, Inc.
1400 Smith Street, Room 43028
Houston, TX 77002

Titus Oil & Gas Corporation
100 Throckmorton, St., Suite 1630
Fort Worth, TX 76102

T23S-R29E
Section 34 - Units A, B, G, H, I, J, O, & P
Eddy County, NM

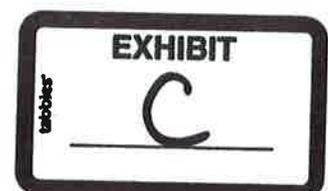
OXY USA, Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046

XTO Holdings LLC
22777 Springwoods Village PKWY
Spring, TX 77389

Tap Rock Operating, LLC
602 Park Point Drive, Suite 200
Golden, CO 80401

Additional Addresses:
Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505





Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

July 29, 2019

Mr. Leonard Lowe
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE: Application for Nonstandard Locations
Engineering Statement
Devon Energy Production Company, L.P.
Papas Fritas 27-22 Fed Com 621H, 622H, 623H,
711H, 712H, and 713H wells
Sections 22 & 27-23S-29E
Eddy County, New Mexico

Dear Mr. Lowe:

Devon Energy Production Company, L.P. respectfully requests administrative approval of a non-standard location for each of the Papas Fritas Wells referenced above by decreasing the first and last take points from 330 feet to 100 feet from the horizontal plane outer boundary. The wells are located in the Purple Sage-Wolfcamp Gas Pool (Pool Code 98220). It is Devon's responsibility as a prudent operator to maximize lateral length and to minimize reserves left in the ground. Decreasing the first and last take point will increase the wells effective lateral length by 460 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

A handwritten signature in cursive script that reads "Lauren Sykes".

Lauren Sykes
Reservoir Engineer

